



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.07

Required Report - public distribution

Date: 11/10/2005

GAIN Report Number: PK5017

Pakistan

Grain and Feed

Wheat and Rice Update

Quarterly Report

2005

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Report Highlights:

The Government of Pakistan announced a 3.75 percent increase in the official wheat procurement price and earmarked Rs. 50 Million (\$ 833,333) for a "grow more wheat" campaign to achieve a target of 22 million MT for MY 2005/06. Post views this as an ambitious target.

Rice production is forecast to increase to 5.4 million MT, a 10 percent increase over last year's production of 4.9 million MT. Export volume is expected to rise to 2.4 million MT.

Includes PSD Changes: No
Includes Trade Matrix: No
Quarterly Report
Islamabad [PK1]
[PK]

Summary

WHEAT

On October 14, 2005, the Government of Pakistan raised the procurement price of wheat from Rs. 400 to Rs. 415 per 40 Kg for the MY 2005/06. This price increase is an ambitious attempt to reach a target of 22 million tons, 8 % above the previous year's target of 20.2 million tons. The Ministry of Food, Agriculture and Livestock has launched a "grow more wheat" campaign but production increase will be difficult to achieve due to a late start of the sugarcane crushing season and delayed picking of cotton.

For 0.25 million tons wheat has arrived, it is projected that one million ton more is required to stabilize the prices in the local market.

The Government policy experiment (June, 2005) to allow commercial imports of wheat has proven effective. As of 11/01/2005, the ministry of Food, Agriculture and Livestock reports delivery of 180,000 MT of wheat, with 200,000 on the high seas and 200,000 contracted for delivery in December 2005 and January 2006. U.S. producers are providing 100,000 MT of this total.

RICE

The MY 2005/06 post forecast for rice production is 5.4 million MT based on improvement in productivity and increased acreage using IRRI varieties. Timely rains, and reduced pest activity has contributed towards enhanced production.

During MY 2005/06, export volume is expected to reach 2.4 million MT, consisting of 800,000 MT of Basmati and 1.6 million MT of IRRI rice varieties.